



Health Services
LOS ANGELES COUNTY

June 5, 2007

**Los Angeles County
Board of Supervisors**

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AN AMENDMENT TO AGREEMENTS WITH TWO
EXISTING CONTRACTORS AND AN AGREEMENT WITH FOUR NEW
CONTRACTORS FOR RADIATION THERAPY SERVICES**
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee, to execute Amendment No. 6 to Agreement Nos. H-210759 and H-210760, substantially similar to Exhibit I, with Western Tumor Medical Group, Inc. (Western Tumor) and Valley Radiotherapy Associates Medical Group, Inc. (Valley Radiotherapy), effective July 1, 2007 through December 31, 2007, for the provision of radiation therapy services for approximately 13 patients referred by Olive View-UCLA Medical Center (Olive View) who have not completed the full course of their treatment regimens, for an estimated cost of \$158,000 for the six-month extension.
2. Approve and instruct the Director of Health Services, or his designee, to execute an Agreement, substantially similar to Exhibit II, with St. Francis (St. Francis) and St. Vincent (St. Vincent) Medical Centers, Santa Clarita Radiotherapy Medical Group (Santa Clarita), and South Bay Cancer Center, LLC (South Bay), effective July 1, 2007 through June 30, 2012, for the provision of radiation therapy services for patients referred by all Department of Health Services' (DHS or Department) medical facilities who require the services, for an estimated cost of \$768,000 annually.
3. Approve and instruct the Director of Health Services, or his designee, to execute Agreements, substantially similar to Exhibit II, with other interested radiation therapy providers who are determined qualified by a Certification/Questionnaire and accept County rates of payment for these services.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

In approving the recommended actions, the Board is authorizing the Director of Health Services, or his designee, to: 1) offer and sign an Amendment to Agreements with Western Tumor and Valley Radiotherapy for the provision of radiation therapy services for approximately 13 Olive View oncology patients who

are currently being treated by the two contractors and need additional time to complete their treatment regimens; 2) offer and sign new five-year Agreements with four contractors who responded to the Request for Proposals (RFP) issued by the Department for the provision of as-needed radiation therapy services for patients referred by all DHS medical facilities; and 3) offer and sign Agreements with other qualified providers to ensure there is adequate geographic coverage for oncology patients referred by DHS medical facilities. For example, of the four respondents, only Santa Clarita, is located near Olive View and other providers may be needed to ensure sufficient services are available.

FISCAL IMPACT/FINANCING:

The estimated cost of the Amendments for Olive View with Western Tumor and Valley Radiotherapy for the six-month extension period, effective July 1, 2007 through December 31, 2007, is \$158,000.

The estimated annual cost for the five-year Agreements, effective July 1, 2007 through June 30, 2012, is \$768,000. At the present time, only Olive View and Harbor/UCLA Medical Center (Harbor) anticipate using these contract services. The estimated annual costs are \$428,000 and \$340,000 for Olive View and Harbor, respectively.

Funding is included in the Department's Fiscal Year 2007-08 Proposed Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Harbor-UCLA Medical Center (Harbor)

In April 1986, DHS issued a Letter of Interest (LOI) to providers of radiation therapy services in the South Bay area. On June 30, 1987, the Board approved the initial agreement with St. Francis. Three subsequent amendments extended the term through June 30, 1998.

On June 30, 1998, the Board approved the existing Agreement with St. Francis to continue the provision of radiation therapy services to patients referred by Harbor. On subsequent occasions, the Board approved amendments to extend the Agreement through June 30, 2005.

On March 15, 2005, the Board approved an amendment which extended the term through June 30, 2006, and changed the method of reimbursement from a per treatment rate of \$85 to a flat rate of \$3,650 per case. On May 2, 2006, the Board approved an amendment to extend the term through June 30, 2007.

Olive View

An LOI was issued in July 1988 to various providers of radiation therapy services in the San Fernando Valley area because Olive View did not have the staff or the equipment to provide inpatient radiation therapy services.

On November 27, 1990, the Board approved Agreements with Western Tumor and Valley Radiotherapy.

On subsequent occasions, the Board approved amendments to extend the Agreements through June 30, 2007.

The new five-year Agreements will become effective July 1, 2007 and continue in full force and effect through June 30, 2012.

The Agreements contain all the required standard provisions.

The Department has determined that the radiation therapy services are of a professional nature and are required on an intermittent and as-needed basis. The Department also has determined that the Agreement is not Proposition A and therefore the provisions of the County's Living Wage Ordinance Program do not apply.

The administrative staff at the various DHS medical facilities will continue to monitor the contractors' performance to assure compliance with the terms and conditions of the Agreements.

Attachments A, B, and C provide additional information.

County Counsel has approved the Amendment and Agreement (Exhibits I and II) as to use and form.

CONTRACTING PROCESS:

On December 18, 2006, the Department issued a RFP for radiation therapy services for oncology patients referred by all DHS medical facilities. By the submission deadline of January 18, 2007, DHS received proposals from the following four agencies: St. Francis, St. Vincent, Santa Clarita, and South Bay. Western Tumor and Valley Radiotherapy did not respond to the RFP.

The Department advertised the RFP on the Los Angeles County On line and DHS' Web Sites and in local newspapers in December 2006.

An Evaluation Committee composed of County staff from various DHS facilities' radiology departments have completed the evaluation of the four proposals and have recommended that all four providers be offered an agreement.

Under the new Agreement, the County will pay the contractors a negotiated "flat rate per case" (Attachment B) and/or "per treatment/procedure rates" (Attachment C), which are based on Medi-Cal rates.

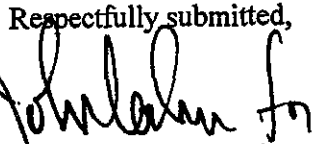
IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommended Amendment and Agreements will ensure the continued and uninterrupted provision of essential radiation therapy services to patients referred by the various DHS medical facilities.

The Honorable Board of Supervisors
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bruce A. Chernof".

Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:dz
BUETCD4359.DZ.wpd

Attachments (5)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT AND AMENDMENT**1. Type of Service:**

Radiation Therapy Services at all Department of Health Services' medical facilities.

2. Agency Addresses and Contact Persons:

St. Francis Medical Center
3630 Imperial Highway
Lynwood, California 90262
Attention: Jeffrey Blend, Director
Telephone: (310) 603-6589
Email: jblend@msn.net
Contract No.: H-209631-4

St. Vincent Medical Center
2131 W. Third Street
Los Angeles, California 90057
Attention: Cathy Fickes, President/CEO
Telephone: (213) 484-5511
Fax: (213) 207-5843
Email: CathyFickes@dochs.org

Santa Clarita Radiotherapy Medical Group
26357 McBean Parkway, Suite 150
Santa Clarita, California 91355
Attention: Ken Dalebout, Director
Telephone: (714) 688-3501
Fax: (714) 688-5555
Email: daleboutkr@allianceoncology.com

South Bay Cancer Center, LLC
14608 South Hawthorne Blvd.
Lawndale, California 90260
Attention: Dr. Laurence Cohen, Owner
Telephone: (310) 978-4970
Fax: (310) 375-0975
E-mail: donnacohensbcc@aol.com

Western Tumor Medical Group, Inc.
5522 Sepulveda Blvd.
Sherman Oaks, California 91411
Attention: Robert Roig, Director
Telephone: (818) 997-1522
Fax: (661) 259-2990
Email: rroig@vantageoncology.com

Valley Radiotherapy Associates Medical Group, Inc.
880 Apollo Street, Suite 329
El Segundo, California 90245
Telephone: (310) 335-4065
Fax: (310) 335-4096
Email: www.valley-radiotherapy.com

3. Term:

The term of the Amendment to Agreement Nos. H-210759 and H-210760 will be effective July 1, 2007 through December 31, 2007.

The term of the new five-year Agreement will be effective July 1, 2007 through June 30, 2012.

4. Financial Information:

For the Amendment to the Agreements with Western Tumor and Valley Radiotherapy, the estimated cost for the six-month period is \$158,000. For the new Agreements with St. Francis, St. Vincent, Santa Clarita, and South Bay, the estimated annual cost is \$768,000.

Funding is included in the Department's Fiscal Year 2007-08 Proposed Budget and will be requested in future fiscal years.

5. Approvals:

Harbor-UCLA Medical Center:	Miguel Ortiz-Marroquin, Interim Chief Executive Officer
Olive View-UCLA Medical Center:	Gretchen McGinley, Interim Chief Executive Officer
Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel (approval as to form):	Robert E. Ragland, Senior Deputy

RADIATION THERAPY SERVICES

FLAT RATE PER CASE

<u>Type of Service</u>	<u>Maximum Rate of Payment</u>
All Radiation Therapy Services*	\$4,275 per case for County-responsible patients**

* A full range of associated services are included in the per case rate, i.e., consultations, planning, physics, simulations, blocks/wedges, casts, lab, and x-rays.

** Contractor shall bill the third-party payer for services rendered to patients covered by Medi-Cal or other third-party payer insurance.

Note: Intensified Modulated Radiation Therapy (IMRT) will be used in all cases where clinically indicated, i.e., prostate cancer, at the same per case rate.

PER TREATMENT/PROCEDURE RATE (MEDI-CAL RATES)

<u>TREATMENT CATEGORIES</u>	<u>CPT CODES</u>	<u>RATE*</u>
<u>Complex Definitive (7-8 weeks therapy)</u>	77794	<u>\$183.05</u>
<ul style="list-style-type: none"> - Primary Full Breast - Prostate (Standard-4 field) - Larynx (b.i.d. treatment) - Primary Head & Neck - Multi-fractioned Head & Neck - Rectum/Anus with or without surgical excision - Esophageal-Definitive w/Biopsy only - Sarcomas-extremities - Gallbladder - Bladder - Pituitary - Brain Tumors - Nasopharyngeal Carcinoma - Pancreas-long course - Single/Multi-fractioned lung - Advanced Chest Wall Recurrence - Breast - Definitive GYN Cancers (w/Boosts, Para-Aortic Treatment) (Cervix, vulva, vaginal, tubal) - Craniospinal Irradiation - Post-op Endometrium with Para-Aortic Lymph Nodes - Post-op Cervix with Para-Aortic Lymph Nodes - Post-op Vagina with Para-Aortic Lymph Nodes - Post-op Vulva with Para-Aortic Lymph Nodes 		
<u>Definitive (5-6 weeks therapy)</u>	77793	<u>\$163.05</u>
<ul style="list-style-type: none"> - Pre/Post-op breast/adjuvant or recurrent chest wall 2-3 field - Post-op Esophageal - Post-op Endometrium - Mantle only (Hodgkin's) or Consolidated Treatment Hodgkin's (multiple sites) - Non Hodgkin's Lymphoma - Extended Field - Non Hodgkin's Lymphoma (Head and Neck) - Kaposi's Sarcoma - Long Course - Post-op Colon - Post-op Prostate - Recurrent Cervix (curative intense-external only) - Skin Cancer (4-6 week course) - Pos-op Head and Neck - Post-op Cervix CA - Post-op Vaginal CA - Post-op Vulva CA - Definitive Cervix - Testicular CA - Seminoma/Non-Seminoma - Pancreas - short course - Thyroid and Mediastinal Tumors 		

<u>TREATMENT CATEGORIES</u>	<u>CPT CODES</u>	<u>RATE*</u>
<u>Complex Standard</u>	77792	<u>\$146.61</u>
- Emergency Palliative (e.g., Spinal Cord)		
- Bone Mets (>3 sites treated at the same time)		
- Whole Brain. C-2		
- Skin CA - short course (< 3 weeks)		
- Kaposi Sarcoma - AIDS related		
- Palliative Lung - short course (3-5 weeks)		
- Palliative Pelvis - short course (3-5 weeks)		
- Graves Ophthalmopathy		
- Orbital Pseudotumor		
- Hemi-Body Lower Half		
- Limited Field Hodgkin's or No-Hodgkin's - Consolidative Therapy or Palliative		
<u>Standard</u>	77791	<u>\$130.98</u>
- Bone Mets (1-2 Sites treated at the same time)		
- Whole Brain		
- Hip/Heterotopic Bone-Formation		
- Pre-op Rectum		
- Pre-op Bladder		
- Kaposi Sarcoma - short course (< 1 week)		
<u>Other (Non-Malignant)</u>		
- Pterygium (3 treatments)	372.40	
One area		<u>\$ 58.35</u>
Two areas		<u>\$116.70</u>
- Keloid	701.4	<u>\$ 71.99</u>
<u>Treatment Planning Ultrasound</u>	76872	<u>\$ 67.65</u>
<u>Follow-up Visits</u>	99214	<u>\$ 37.50</u>
- All categories include <u>two</u> follow-up visits per year for the first two years		
- After two years, need approval		
<u>CT Treatment Planning (CPT4)</u>	76370	<u>\$136.22</u>
<u>3-D Conformal Radiation Therapy Treatment Codes</u>		
- Initial Consult	99241	<u>\$ 30.60</u>
	99242	<u>\$ 47.20</u>
	99243	<u>\$ 59.50</u>
	99244	<u>\$ 81.40</u>
	99245	<u>\$102.20</u>

TREATMENT CATEGORIES**CPT CODES****RATE*****3-D Conformal Radiation Therapy Treatment Codes(Cont'd)**

- Treatment Planning Complex	77263	<u>\$210.10</u>
- CT Simulation Complex	77295	<u>\$813.13</u>
- Simulation Complex	77290	<u>\$155.89</u>
- Simulation Intermediate	77285	<u>\$127.02</u>
- Simulation Simple	77280	<u>\$ 80.14</u>
- Isodose Complex	77315	<u>\$121.13</u>
- Special Therapy Port Plan	77321	<u>\$179.20</u>
- Special Medical Radiation Physics Consultation	77370	<u>\$ 95.19</u>
- Special Treatment Procedures	77470	<u>\$253.65</u>
- x 7 Basic Dosimetry Calculation(s)	77300	<u>\$126.06</u>
- x 9 Continuing Medical Physics	77336	<u>\$ 55.08</u>
- x 9 Port Films (Verification)	77417	<u>\$ 57.30</u>
- x 9 Weekly Treatment Management	77427	<u>\$114.37</u>
- x 7 Treatment/Immobilization Devices	77334	<u>\$129.80</u>
- x 40 Daily Treatment Delivery	77413	<u>\$ 50.62</u>
	77414	<u>\$ 58.83</u>
	77416	<u>\$ 67.04</u>
- Follow Up Visit	99211	<u>\$ 12.00</u>
	99212	<u>\$ 18.10</u>
	99213	<u>\$ 24.00</u>
	99214	<u>\$ 37.50</u>
	99215	<u>\$ 57.20</u>

Intensified Modulated Radiation Therapy (IMRT) Radiation Therapy Treatment Codes**Pre IMRT Treatment Planning Codes:**

- Initial Consult	99241	<u>\$ 30.60</u>
	99242	<u>\$ 47.20</u>
	99243	<u>\$ 59.50</u>
	99244	<u>\$ 81.40</u>
	99245	<u>\$102.20</u>
- Physician Clinical Treatment Planning -- Complex	77263	<u>\$210.10</u>
- Initial Simulation (position/leveling)	77290	<u>\$155.89</u>
- Physics Consultation	77370	<u>\$ 95.19</u>
- Special Treatment Procedure	77470	<u>\$253.65</u>
- Ultra Sound Localization (if needed)	76950	<u>\$ 57.57</u>
- x 4 or less Immobilization Treatment Devices -- Complex	77334	<u>\$129.80</u>

IMRT Dosimetry Treatment Planning Codes:

- IMRT Dosimetry Treatment Plan x one per course	77301	<u>\$1,237.18</u>
- x 7 or less Basic Dosimetry Calculation(s)	77300	<u>\$ 126.06</u>

Post IMRT Planning Treatment Codes:

- Simulation Simple	77280	<u>\$ 80.14</u>
- x 44 or less IMRT Daily Treatment Delivery	77418	<u>\$ 523.76</u>

TREATMENT CATEGORIES**CPT CODES****RATE*****Post IMRT Planning Treatment Codes (Cont'd):**

- x 4 or less Treatment Devices per port or fluence diagram -- Complex	77334	\$ 129.80
- x 9 or less Continuing Medical Physics	77336	\$ 55.08
- x 9 or less Port Films (verification of iso-center set up every 5 fractions)	77417	\$ 57.30
- x 9 or less Physicians Clinical Treatment Management (per 5 fractions)	77427	\$ 114.37
- Ultra Sound Localization (if needed)	76950	\$ 57.57
- Follow Up Visit	99211	\$ 12.00
	99212	\$ 18.10
	99213	\$ 24.00
	99214	\$ 37.50
	99215	\$ 57.20

3-D Conformal Radiation Therapy Treatment Codes with IMRT Boost:

- Initial Consult	99241	\$ 30.60
	99242	\$ 47.20
	99243	\$ 59.50
	99244	\$ 81.40
	99245	\$ 102.20
- Treatment Planning Complex	77263	\$ 210.10
- CT Simulation Complex	77295	\$ 813.13
- Simulation Complex	77290	\$ 155.89
- Simulation Intermediate	77285	\$ 127.02
- Simulation Simple	77280	\$ 80.14
- Isodose Complex	77315	\$ 121.13
- Special Therapy Port Plan	77321	\$ 179.20
- Special Medical Radiation Physics Consult	77370	\$ 95.19
- Special Treatment Procedures	77470	\$ 253.65
- x 7 Basic Dosimetry Calculation(s)	77300	\$ 126.06
- x 9 Continuing Medical Physics	77336	\$ 55.08
- x 9 Port Films (Verification)	77417	\$ 57.30
- x 9 Weekly Treatment Management	77427	\$ 114.37
- x 7 Treatment/Immobilization Devices	77334	\$ 129.80
- x 40 Daily Treatment Delivery	77413	\$ 50.62
	77414	\$ 58.83
	77416	\$ 67.04
- Follow Up Visit	99211	\$ 12.00
	99212	\$ 18.10
	99213	\$ 24.00
	99214	\$ 37.50
	99215	\$ 57.20

TREATMENT CATEGORIES**CPT CODES****RATE*****IMRT Boost CPT Codes:**

-	x 1 IMRT Dosimetry Treatment Plan	77301	<u>\$ 1,237.18</u>
-	x 10 IMRT Daily Treatment Delivery	77418	<u>\$ 523.76</u>
-	x 1 Ultra Sound Localization (if needed)	76950	<u>\$ 57.57</u>

Stereotactic Radiosurgery:

-	SRS Complete (1 session)	G0173	<u>\$ 407.83</u>
-	Special Dosimetry	77331	<u>\$ 53.75</u>
-	Tx Device, Custom Blocking mask	77334	<u>\$ 129.80</u>
-	Tx Device, Additional (x# of fields)	77334	<u>\$ 129.80</u>
-	Basic Dosimetry	77300	<u>\$ 126.06</u>
-	Basic Dosimetry, Add (x# of fields)	77330	<u>\$ 126.06</u>
-	Continuing Rad, Physics	77336	<u>\$ 55.08</u>
-	Special Physics Consultation	77370	<u>\$ 95.19</u>
-	3D Simulation/3d Isodose	77295	<u>\$ 813.13</u>
-	Clinical Tx Plan	77263	<u>\$ 210.10</u>
-	SRS Tx Mgt	77432	<u>\$ 284.32</u>

* Proposed rates shall be at the Medi-Cal rates.

Note: IMRT will be used in all cases where clinically indicated, i.e., prostate cancer, at the same treatment rate.

Contractor shall bill the third-party payer for services rendered to patients covered by Medi-Cal or other third-party payer insurance.